

GSA Declassification&Release Instructions In ERU File - No Referral To GSA

23 JUN 1976

MEMORANDUM FOR: Deputy Director for Administration

FROM : James H. McDonald
Director of Logistics

SUBJECT : Proposed Closing of the Rendezvous Room

REFERENCE : Letter dated 16 April 1976 to C/LSD from
GSA, same subject

1. This memorandum contains a recommendation for your approval; such recommendation is contained in paragraph 11.

2. Mr. Robert D. Marcus, Director of Concessions Division, General Services Administration (GSA) advised this office by letter received on 20 April 1976 that the Rendezvous Room has been operating at a deficit averaging \$84.16 daily. Mr. Marcus advised further that he has been working with Government Services, Inc. (GSI) in a concerted effort to eliminate all services that are non-essential and unprofitable. On this basis, Mr. Marcus has proposed that the Rendezvous Room be closed permanently and an effective date of 30 April was requested.

3. In an effort to respond to Mr. Marcus' letter, an attempt was made to contact him on 21 April. Mr. Stoessel, Chief, Food and Vending Operations Branch, advised that Mr. Marcus was out of town and would not return until 30 April. Mr. Stoessel agreed, however, to suspend action on closing the Rendezvous Room until the matter could be thoroughly examined.

4. A meeting was convened on 30 April in the Office of the Chief, Logistics Services Division, Office of Logistics, for the purpose of reviewing GSA's proposal and the status of other GSI operations conducted in support of the Central Intelligence Agency (CIA). In attendance were: Messrs. [REDACTED] STATINTL [REDACTED] representing CIA; Robert D. Marcus

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and Gilbert Stoessel, representing GSA; and Clifton M. Truesdale, Vice President for Operations, GSI. Mr.

STATINTL

██████████ advised that the Rendezvous Room is considered to be a very important part of the food service program at CIA and any proposal to eliminate or alter any portion of this program would be evaluated on the basis of the impact on CIA. Expenses and revenue statistics covering the Rendezvous Room's business activity were presented by GSI in support of their proposal, along with similar information covering the evening and Saturday service in the North Cafeteria. It was noted that past attempts to remedy the problem by introducing price increases have been counter-productive inasmuch as the resulting decline in patronage forces the deficit to increase. It was further noted that, in view of their inability to reverse this deteriorating situation, GSI has closed several other buffets in the Washington area. The meeting was closed with our request for additional information to cover the remaining GSI activities in the Headquarters and Ames Buildings.

5. The Rendezvous Room is generally considered by Agency employees to be a valuable asset. The fairly quiet, unhurried, and uncrowded atmosphere, together with the reserved table feature, make it an ideal location for entertainment of official guests by employees who are not eligible to use the Executive Dining Room. Should this facility be closed, the only available alternatives are the North Cafeteria, where the atmosphere is not conducive to relaxed conversation, or any of the several restaurants in the McLean and Tysons Corner area, where both time and expense are discouraging factors.

6. No attempt is made to hide the fact that there are abuses. On one occasion, Mr. Arnold, the Cafeteria Manager, observed one woman who, after consuming 12 pieces of chicken, attempted to conceal an additional 5 pieces in her handbag. Once she realized that she was being observed, she returned the chicken to her plate and departed hastily. This is not an isolated case, of course, and abuses of this nature contribute to the deficit. Abuses and deficit notwithstanding, feelings run strong that the Rendezvous Room is a valuable asset and should be retained.

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7. In contrast, we have found that there are two services that appear to be underutilized and could be discontinued with minimum impact. The service provided in the North Cafeteria each evening between 1730 and 1900 hours currently attracts an average of only 87 patrons with sales averaging \$99.18. This results in a deficit of \$42.40 each day. Statistics indicate that only a very few of these patrons purchase full meals while most patrons buy desserts, snacks, and coffee. The remainder of the work force in the building at night apparently takes advantage of the vending machines or bring their lunches from home.

8. Similarly, the North Cafeteria is opened between 0900 and 1300 hours on Saturday and serves an average of 149 patrons with sales amounting to \$149.16. Here again, most sales are in the snacks and coffee category, and GSI suffers a deficit of \$44.40 each Saturday. The combined deficit for both of these activities is projected to be \$13,332 during calendar year 1976.

9. GSI has advised that they would be willing to expand their vending machine activity to accommodate our evening and Saturday workers if these two services are discontinued. GSI has indicated further that they will accommodate any special situations that may arise at night or on Saturday in the future.

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11. In order to increase GSI's profit margin with minimum impact on this Agency, it is recommended that:

a. Evening and Saturday service in the North Cafeteria be discontinued; and

b. The proposal to close the Rendezvous Room be denied.

STATINTL


James H. McDonald

Att:
Reference

STATINTL

APPROVED:  13 AUG 1976

DISAPPROVED: _____

Distribution:

Orig - Return to OL (LSD Official)

2 - DD/A

* "ok, put out as notice" 19m

Public Buildings Service
Washington, DC 20405



APR 18 1979

STATINTL

Mr. [REDACTED]
Chief
Logistics Service
Central Intelligence Agency
Washington, DC 20505

STATINTL

Dear Mr. [REDACTED]

In recent months General Services Administration (GSA) and Government Services, Inc. (GSI) have been concertedly working together to improve the overall services provided in food service contracts in the Washington metropolitan area. One of the areas where problems have surfaced is the buffets. GSA and GSI have been striving to eliminate operating losses in cafeterias, coffee shops, and buffets facilities in numerous locations. It has become mandatory to eliminate services which are nonessential and unprofitable in order that essential cafeteria services offering a variety of high quality food can be offered at reasonable prices.

When the buffets were first initiated, they were successful because of the relatively low food cost; however, as prices escalated in wholesale food and the cost of food preparation increased, it was mandatory to raise the prices in the buffets. It is also apparent that the same selection of food items is not being served in the buffets as it was in the past. Mainly because of this, the buffets popularity began to decline to the extent that it has reached a point of no return.

The patronage level required to make buffets viable is not being realized in any of our buildings in the Washington metropolitan area. This is especially true in your facility where the daily average patronage is 155 with average daily sales of \$314.51. Food, labor, and other costs on a daily average is \$399.12, resulting in an operating deficit of \$84.61. We are convinced that continuing the operation of the buffet would only add to the deficit that GSI has encountered.

This condition is not unique to the Central Intelligence Agency facility. GSA is initiating action to close all buffets that are unprofitable and unsuccessful. Recently we have closed buffets in FOB #9; Department of Housing and Urban Development; Geological Survey in Reston, Virginia; Department of Health, Education, and Welfare; Department of Defense (Forrestal Building); Federal Aeronautics Administration; and our own

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GSA Executive Dining Rooms at 18th and F Streets and Regional Office Building, 7th and D Streets, SW. GSA, by closing its own facilities, is leading the way in a joint effort with GSI to close all non-viable food facilities which include buffets and executive dining rooms.

We are aware of the increased inconveniences this may cause your agency in closing the buffet, but it is not economical to continue this operation at a loss to GSI. For the aforementioned reasons, we are requesting your concurrence in alleviating GSI of this unprofitable situation. We have established a tentative closing date of April 30, 1976, pending your approval.

If there are any further questions on this matter, please do not hesitate to contact this office.

Sincerely,

A handwritten signature in cursive script, appearing to read "Robert D. Marcus".

ROBERT D. MARCUS
Director
Concessions Division

Buffet Period 3:

Average Daily Patrons	155.7
Average Daily Receipts	\$314.51
Average Daily Expenses	\$399.12
Average Daily Profit/Loss	(\$ -84.61)
Estimated Annual Loss for 1976:	(\$ -21,322.00)

Cafeteria:

Period 13 year-to-date 1975:	\$ 33,945.00 Profit
Period 3 year-to-date 1976:	\$ 10,599.00 Profit

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Period 13 year-to-date 1975:	(\$-6,495.00) Loss
Period 3 year-to-date 1976:	(\$- 3,987.00) Loss

GSI
4/76

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:		STATINTL		EXTENSION	NO.
Executive Officer, DDA					DATE 13 July 1976
TO: (Officer designation, room number, and building)		DATE		OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
		RECEIVED	FORWARDED		
1.					1. Attached is information concerning some proposals toward limiting services in the Headquarters building North cafeteria and the Rendezvous Room. There seems to be a strong interest in maintaining the Rendezvous Room buffets. To offset the losses, certain recommendations are made to restricting the services of the North cafeteria.
2.					
3.					
4.					
5.					
6.					2. Could I please have your comments by COB 21 July concerning the impact on your people of either closing the Rendezvous Room and/or restricting the services in the North cafeteria.
7.					
8.					
9.			STATINTL		
10.			STATINTL		
11.					EO/DDA, [redacted] 1m (13 July 76) Distribution: 1 - Each Office Director ① - DDA Subject 1 - DDA Chrono 1 - RFZ Chrono Attachment: DDA 76-3159, Memo for DDA from D/LOG, dated 23 June 76, "Proposed Closing of the Rendezvous Room"
12.					
13.					
14.					
15.					